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called to the various omissions in order that a more adequate bulletin may be circulated next year. In spite of its various omissions, this book should be on the shelf of every student of the marketing problem. It will also prove of value to instructors of statistics who are looking for material in a new and growing field of applied economics.

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Competition and Combination in the Wholesale Grocery Trade in Philadelphia.

By William Lewis Abbott. Menasha, Wisconsin: The Collegiate Press. 1920. 87 pp.

That the present economic order is a coöperative one, will hardly be denied. But there exist within our economic organization many varieties of coöperation. Thus, one finds coöperation among the retailers in their merchant associations for the purpose of "charging what the traffic will bear"; among the building contractors in certain cities, for lowering wages and maintaining the prices of their products; and among the consumers themselves.

This monograph by W. L. Abbott is a study of coöperation as it exists in the wholesale grocery trade of Philadelphia. It appears that the development of the chain-store system in the retail grocery business, the growth of the mail order and the premium firm, the practice by certain manufacturers of selling directly to the retailer who can place large orders, and the elimination of the wholesale middleman by various large packers, has for years been making inroads upon the wholesaler's business. But this is not all. Obviously those retailers who are unable to buy directly from the manufacturer and thereby save the wholesaler's profits as well as the cost of maintaining the wholesale establishment (some 8 to 10 per cent of the value of total sales) cannot compete efficiently either with their more fortunate brethren within the trade or with the "obnoxious" low-priced chain store. So they too have invaded the realm of the wholesaler and have started coöperative buying associations with a purchasing capacity sufficiently large to enable them to get their merchandise directly from the manufacturer. There are two such coöperative associations in Philadelphia, and their combined yearly sales have been about \$10,000,000.

This factor has been too much for the "legitimate" wholesalers, and they have formed their own associations to offset the coöperating retailers and have agreed to sell various "specials" with no profit to themselves, and often even at a loss. Prizes for the largest sales of products handled by the associated wholesalers have been awarded to their retail customers, and a system of premium distribution has been developed—but without avail. The coöperative retail associations have continued to flourish, and the coöperating wholesalers appear to have concluded that the former are here to stay.

The author believes that the coöperative retailers through their associations fulfil most of the functions of the wholesale grocer, and in a most efficient manner. In two ways, however, the coöperative companies fail, namely, (1) they do not finance the retail store (through the extension of credits), and (2) "they do

little to promote the sale of goods and to introduce new articles." As to the significance of the latter, little need be said here. The economic waste of maintaining competing salesmen to promote the sale of both old and new goods has long been recognized. Bulletin No. 9 of the Bureau of Business Research, Harvard University, for example, shows that the largest item in the expense of maintaining the wholesale grocery establishment is the cost of the sales force, amounting to nearly one-fourth of the total expenses.

The question of financing is worthy of consideration. The small retailer has never been able to finance his enterprise through the medium of the bank. Either his lack of knowledge as to banking facilities or the absence of sufficiently sound paper has kept him from utilizing the credit resources of the banking world. It has been the function of the wholesaler, therefore, to finance in large part the average corner grocery store. The coöperative retail associations, however, virtually compel cash payments (their purpose being to keep their expenses down to the minimum by eliminating the cost of collections and the losses from bad debts), thus forcing their customers to finance themselves. This, of course, has made it less easy to start new retail stores, consequently cutting down the duplication of plant and capital and, indirectly, the cost of maintaining our retail distributive system.

In view of these facts one might easily agree with the author that the coöperative associations do not render one of the functions usually performed by the wholesale grocer. But one must realize, as does the author, that this is "not a cause for condemning them on the charge of inefficiency." It results "rather in an introduction of more efficient and economical business methods. Its net tendency is to restrict the business to those who have some capital and responsibility." The advantage of restricting any line of economic activity to those who happen to have capital in their possession cannot be considered universal, but most persons will assent to the justification of such action in the retail business. It is estimated that in 1910 Philadelphia had one retail grocery to every 59 families—a clientele sufficient to allow an annual income of \$640 or less. When one realizes that the average large city apartment house contains anywhere from eight to thirty families it becomes questionable whether there is any justification for the existence of one grocery store to every 59 families. This same condition is prevalent, often in a more exaggerated degree, throughout the country. The state of Arkansas boasts of one grocery store for every 226 persons (an average of five persons to a family giving one store for every 45 families); Florida averages one grocery store for every 173 persons in the state; and an average for the entire country shows the distribution of grocery stores to be one for every 265 inhabitants. Indeed, over 1,163,000 persons, or approximately 2 per cent of those engaged in gainful occupations, spend their time distributing retail groceries.

As long as any person with a small sum of money—savings from a period of prosperity, an insurance policy, or money acquired from some similar source—can start a retail grocery store, three-fourths financed by the wholesaler, we may continue to look forward to two or three grocery stores in every city block (a half-dozen, even, on most Main Streets of country towns) and a constant procession of small store-keepers toward bankruptcy. In 1915 there were 3,614

failures of grocery stores; in 1916, 3,599; in 1917, 3,129; in 1918, 1,969; and in 1919, 1,359. For each year these failures comprised approximately one-third of the total mercantile failures in the country.

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Statistics and Their Application to Commerce. By A. Lester Boddington. London: H. Foulks Lynch & Company. 1921. xv, 220 pp.

Boddington's book on statistics and their application to commerce is the first attempt on the part of an Englishman, as far as the reviewer knows, to apply simple statistical methods to business, or more particularly to commerce.

The author in the Introduction reviews briefly the recent changes affecting business, and points out the need for the business man of today to study his problems scientifically. He regards business as a science, and the business office, therefore, as a laboratory in which much of the quantitative data growing out of business transactions may be used not only to test the results of past action, but also to indicate the future results of present business policies.

Regarding the application of statistics to business and the objects of statistics, the author comments as follows: "One of the objects of statistics is to supply a panoramic view of a large mass of facts accumulated from past experience, to coördinate and condense these facts into a form easily comprehensible to the man in the street, and to use the knowledge so obtained to assist present or future operations. If this definition of the object be admitted, then the usefulness of statistics to commerce cannot be questioned."

The volume is divided into two parts. Part I covers the Compilation of Statistical Data, and Part II, the Presentation and Uses of Statistical Data. Under Part I the author discusses "Business Statistics and Their Importance," "Compilation and Uses of Statistics," "Accuracy and Approximation," and "Types and Averages." Under Part II, the chapter headings are as follows: "Tabulation," "The Graphic Method," "The Graphic Method Applied to Commerce," "Index Numbers," and "Published Statistics and Their Use." It will be noted that the main topics found in current books on statistics are included. The only thing which impresses the reviewer as out of the ordinary is the treatment of tabulation after the discussion of types and averages. Concerning this order more is said later. A distinctive feature of the make-up of the volume is the inclusion of a synopsis in each chapter. This arrangement has certain advantages and might well be followed generally.

The book contains both tabular and graphic material designed to illustrate the various applications which the author makes of the principles discussed.

The emphasis given to the importance of units throughout the discussion is gratifying, the contention of the author being that little or no progress can be made in applying statistics to business or in interpreting current statistical data without full cognizance being taken of the units which are employed.

The volume has certain limitations, but attention is called to them without